



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/728,226	12/04/2003	Jay S. Walker	98-043-C1	7469

22927 7590 04/11/2005

WALKER DIGITAL
FIVE HIGH RIDGE PARK
STAMFORD, CT 06905

EXAMINER

HAYES, JOHN W

ART UNIT	PAPER NUMBER
----------	--------------

3621

DATE MAILED: 04/11/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/728,226

Applicant(s)

WALKER ET AL.

Examiner

John W Hayes

Art Unit

3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 January 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 28-30 and 33-49 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 28-30, 33-37, 40, 43, 44 and 47 is/are rejected.
- 7) ☒ Claim(s) 38, 39, 41, 42, 45, 46, 48 and 49 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 04 December 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Status of Claims

1. Applicant has amended claims 28-30 and 35 and added new claims 36-48. Claims 31-32 were previously canceled. Thus, claims 28-30 and 33-48 remain pending and are presented for examination

Terminal Disclaimer

2. The terminal disclaimer filed on 03 January 2005 disclaiming the terminal portion of any patent granted on this application which would extend beyond the expiration date of U.S. Patent No. 6,687,679 has been reviewed and is accepted. The terminal disclaimer has been recorded.

Response to Arguments

3. Applicant's arguments with respect to the claims have been considered but are moot in view of the new ground(s) of rejection.

Claim Objections

4. The numbering of claims is not in accordance with 37 CFR 1.126 which requires the original numbering of the claims to be preserved throughout the prosecution. When claims are canceled, the remaining claims must not be renumbered. When new claims are presented, they must be numbered consecutively beginning with the number next following the highest numbered claims previously presented (whether entered or not). There are two occurrences of claim number "48". The second occurrence should be renumbered "49".

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Art Unit: 3621

6. Claims 28-30 and 33-35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Deaton et al, U.S. Patent No. 5,687,322 in view of Valencia, U.S. Patent No. 5,380,991.

As per **Claims 28-29 and 33-34**, Deaton et al disclose an apparatus comprising:

- a processor, as stated in column 11 lines 18-20, "As shown in FIG. 1, a check transaction processing system 110 located at a store includes a transaction processor 112 coupled to a disk system 114 that stores the customer database ";

- a storage device that stores a program for directing the processor, the processor being operative with the program to:

- receive transaction data that represents a transaction, as stated in column 4 lines 57-61, "...to improve a store's marketing and other customer relations programs by collecting transactional data for that store, both current and historical, that can be used to identify new or infrequent customers, develop customer profiles and to perform targeted marketing.";

- receive a customer identifier that identifies a customer participating in the transaction, as stated in column 5 lines 12-18, "The system includes one or more transaction terminals, coupled to a transaction processor that stores the customer database ...which includes an automatically read customer's identification number, from the point-of-sale (POS) to the transaction processor.";

- determine a customer rating of the customer, as stated in column 4 lines 57-61, "...to improve a store's marketing and other customer relations programs by collecting transactional data for that store, both current and historical, that can be used to identify new or infrequent customers, develop customer profiles and to perform targeted marketing." and in column 69 lines 2-5, "...the host processor 110 utilizes the technique of FIGS 16A and B to generate an indication of whether or not the shopper is a secondary, primary or high volume shopper.");

- determine a time of the transaction, as shown in Figure 16B step 36, 37 and 39, "locate last transaction data in customer's shopping history" and "compare last transaction date with pre-selected target date range";

Deaton et al further disclose that "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer

Art Unit: 3621

purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time...at the store to shop within a predetermined time interval." (column 69 lines 35-43) and that "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending." (column 73 lines 23-25). Deaton et al disclose determining a second discount based on the customer rating and the time of the transaction (Col. 69, lines 1-14 and 35-43; Col. 73, lines 23-25).

Deaton et al, however, fail to specifically disclose determining a second discount based on a first discount and applying the second discount to the transaction. Valencia et al disclose a paperless coupon redemption method wherein customer purchases are tracked to determine the timeframe in which they are conducted and wherein the discount value increases with additional purchases of a product within a particular timeframe (Col. 3, lines 1-8 and 24-41; Col. 5, lines 37-61; Col. 6, lines 6-21). For example, a customer purchases a first product during a specified time of the transaction and is given a first discount. If the customer purchases additional quantities of the first product at a later time, but within a certain timeframe, then the customer is given a second discount of increasing value as compared to the first discount and the second discount is applied to the transaction (Col. 3, lines 23-41; Col. 5, lines 45-50; Col. 6, lines 14-21) as determined by the shop the dots promotion taught by Valencia et al. Thus, the second discount is determined based upon the amount of the first discount and the time of the first discount, since the time of the second purchase must be within a predetermined period of time of the first purchase in order to qualify for the promotion. Accordingly, examiner submits that it would have been obvious to one of ordinary skill in the art to combine the teachings of Deaton et al wherein rewards of increasing or decreasing value are provided to high volume customers with the teachings of Valencia et al wherein customers who make repeated purchases within a certain timeframe are rewarded with increasing discounts and result in the invention as claimed. Valencia provides motivation by indicating that this would provide the benefit of awarding additional coupons of increasing value to induce the consumer to make repurchases within a predetermined timeframe thereby developing a sequential purchasing pattern desired by the manufacturer (Col. 2, lines 9-14; Col. 4, lines 37-51; Col. 5, lines 57-61).

Art Unit: 3621

As per Claims 30 and 35, Deaton et al disclose an apparatus comprising:

-a processor, as stated in column 11 lines 18-20, "As shown in FIG. 1, a check transaction processing system 110 located at a store includes a transaction processor 112 coupled to a disk system 114 that stores the customer database...";

-a storage device that stores a program for directing the processor, the processor being operative with the program to:

-receive first transaction data that represents a first transaction, as stated in column 4 lines 57-61, "...to improve a store's marketing and other customer relations programs by collecting transactional data for that store, both current and historical, that can be used to identify new or infrequent customers, develop customer profiles and to perform targeted marketing.";

-receive a first identifier and a second identifier that identifies a customer participating in the first and second transaction, as stated in column 5 lines 12-18, "The system includes one or more transaction terminals, coupled to a transaction processor that stores the customer database ...which includes an automatically read customer's identification number, from the point-of-sale (POS) to the transaction processor.";

-determine a first discount for the customer based on the identifier, as stated in column 103 lines 1-5, "...a store may offer an incentive to come again in the next seven day period and if the customer does, the store gives \$2 off the shopping visit. The store then monitors that customer to see if he performed according to the terms and conditions...";

-receive second transaction data that represents a second transaction occurring after the first transaction, as stated in column 103 lines 30-33, "An incentive is provided to increase customer purchases, the system monitors and records that incentive in the customer history file, then the system monitors and records the response...";

-determine a customer rating of the customer as stated in column 4 lines 57-61, "...to improve a store's marketing and other customer relations programs by collecting transactional data for that store, both current and historical, that can be used to identify new or infrequent customers, develop customer profiles and to perform targeted marketing." and in column 69 lines 2-5, "...the host processor 110 utilizes

Art Unit: 3621

the technique of FIGS 16A and B to generate an indication of whether or not the shopper is a secondary, primary or high volume shopper.";

-determine a time of the second transaction, as shown in Figure 16B step 36, 37 and 39, "locate last transaction data in customer's shopping history";

Deaton et al further disclose that "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time...at the store to shop within a predetermined time interval." (column 69 lines 35-43) and that "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending." (column 73 lines 23-25). Deaton et al disclose determining a second discount based on the customer rating and the time of the transaction (Col. 69, lines 1-14 and 35-43; Col. 73, lines 23-25).

Deaton et al, however, fail to specifically disclose determining a second discount based on a first discount and applying the second discount to the transaction. Valencia et al disclose a paperless coupon redemption method wherein customer purchases are tracked to determine the timeframe in which they are conducted and wherein the discount value increases with additional purchases of a product within a particular timeframe after the first transaction (Col. 3, lines 1-8 and 24-41; Col. 5, lines 37-61; Col. 6, lines 6-21). For example, a customer purchases a first product during a specified time of the transaction and is given a first discount. If the customer purchases additional quantities of the first product at a later time, but within a certain timeframe, then the customer is given a second discount of increasing value as compared to the first discount and the second discount is applied to the transaction (Col. 3, lines 23-41; Col. 5, lines 45-50; Col. 6, lines 14-21) as determined by the shop the dots promotion taught by Valencia et al. Thus, the second discount is determined based upon the amount of the first discount and the time of the first discount, since the time of the second purchase must be within a predetermined period of time of the first purchase in order to qualify for the promotion. Accordingly, examiner submits that it would have been obvious to one of ordinary skill in the art to combine the teachings of Deaton et al wherein rewards of increasing or decreasing value are provided to high volume customers with the teachings of Valencia et al wherein customers who make repeated purchases within a certain timeframe are rewarded

Art Unit: 3621

with increasing discounts and result in the invention as claimed. Valencia provides motivation by indicating that this would provide the benefit of awarding additional coupons of increasing value to induce the consumer to make repurchases within a predetermined timeframe thereby developing a sequential purchasing pattern desired by the manufacturer (Col. 2, lines 9-14; Col. 4, lines 37-51; Col. 5, lines 57-61).

7. Claims 36-37, 40, 43-44 and 47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Deaton et al, U.S. Patent No. 5,687,322 and Valencia, U.S. Patent No. 5,380,991 as applied to claim 28 above, and further in view of Leonard et al, U.S. Patent No. 5,903,874.

As per Claims 36 and 43, Deaton et al disclose determining customer ratings as described above and further disclose that these ratings are based upon customer shopping visits during preselected time intervals, however, Deaton et al fail to explicitly disclose determining a grace period for the customer. Leonard et al disclose a system for electronic coupon management and further teach establishing a grace period under which a discount may be valid. Furthermore, examiner submits that the establishment of grace periods for certain types of individuals is generally well known in the art. For example, it is well known that customers having relatively high credit ratings are treated differently than customers having a low credit rating and, thus, customers having a high credit rating may be given a longer grace period than customers having a low credit rating. Thus, examiner submits that it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Deaton et al and determine a grace period based on the customer ratings such as frequent shoppers, infrequent shoppers, primary shoppers. One would have been motivated to assign a grace period or other parameters based on the customer rating in order to reward especially good customers by allowing a longer grace period.

As per Claims 37 and 44, Deaton et al further fail to disclose determining whether the time of the transaction is within the grace period. Leonard et al disclose a system for electronic coupon management and further teach establishing a grace period under which a discount may be valid. Although Leonard et al does not explicitly disclose determining whether the time of the transaction is within the grace period,

Art Unit: 3621

this feature would be inherent in the system of Leonard et al. In order to determine the validity of the coupon, the time of the transaction must be determined in order to determine if the transaction time is within the grace period. Accordingly, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Deaton et al and determine if the time of the transaction is within the grace period as suggested by Leonard et al in order to accept a particular discount.

As per **Claims 40 and 47**, Deaton et al further disclose determining a maximum discount based on the customer rating and setting the second discount to a value not greater than the maximum discount value (Col. 125 line 56-Col. 126 line 43).

Allowable Subject Matter

8. Claims 38-39, 41-42, 45-46 and 48-49 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

Conclusion

9. **Examiner's Note:** Examiner has cited particular columns and line numbers in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested that the applicant, in preparing the responses, fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

10. The prior art previously made of record and not relied upon is considered pertinent to applicant's disclosure.

Art Unit: 3621

- Storey discloses a fully integrated on-line frequency award program and teaches a method wherein customers join the program and accept the terms of the program wherein customers are rated as to which incentive program they qualify for such as the white, silver and gold programs
- Valencia et al disclose a paperless coupon redemption method wherein customer purchases are tracked to determine the timeframe in which they are conducted and wherein the discount value increases with additional purchases of a product within a particular timeframe

Art Unit: 3621

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the **Receptionist** whose telephone number is **(703) 305-3900**. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair> . Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Please address mail to be delivered by the United States Postal Service (USPS) as follows:

Commissioner of Patents and Trademarks

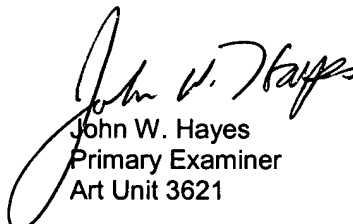
Washington, D.C. 20231

or faxed to:

(703) 872-9306 [Official communications; including
After Final communications labeled
"Box AF"]

(703) 746-5531 [Informal/Draft communications, labeled
"PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington,
VA, 7th floor receptionist.


John W. Hayes
Primary Examiner
Art Unit 3621

April 6, 2005